

Specialty Crop Competitive Grant

Grant Awarded: 2012

Grant Completed: 2014

Grant Recipient: Fairbanks Economic Development Corporation

Grant Project: Interior Alaska Marketing Analysis

Interior Alaska Marketing Analysis Final Report

In 2012 the Fairbanks Economic Development Corporation (FEDC) began working with over 20 Fairbanks vegetable farms towards the creation of a marketing cooperative. Farmers involved hoped this business would aggregate, market, and distribute produce for their farms. Most local vegetable farms sell their produce through direct-to-consumer markets, such as CSAs, farm stands, and farmers' markets; however many farmers are interested in reaching other markets, but have found it difficult, if not impossible, to sell to larger retail and wholesale markets. Fairbanks farmers seeking the creation of a marketing cooperative believe that through establishing such an entity and attempting to work together they will be able to overcome many of the barriers.

Through meetings held during the winter of 2012-2013, it became apparent that much information remained unknown regarding the larger Fairbanks vegetable market, especially the market beyond direct-to-consumer sales. Although many farmers have their own personal experiences to share on market demand, much of this information is anecdotal. As a result, the Alaska Cooperative Development Program, as well as FEDC, suggested that a professional market study be done on the Fairbanks vegetable market. A professional study conducted on the demand for local food in the Fairbanks area would hopefully help the farmers to have a more comprehensive understanding of the cooperative's potential and most viable focus areas. In addition to this, it was felt that regardless of whether or not a cooperative was created, information gathered from a market study would undoubtedly be useful to Fairbanks farmers on an individual farm basis.

As such, FEDC sought funding possibilities to cover the expenses involved in conducting a market study, and was awarded a grant through the Specialty Crop Competitive Grant.

Work on the project began in October 2013, when FEDC put a call out to local farmers to serve on a steering committee for the market study. The steering committee meetings would be open to all to attend, and all farmers were repeatedly encouraged to provide their feedback during the entirety of this project. Jen Becker with Pioneer Produce, Brad St. Pierre with Goosefoot Farm, Susan Kerndt with Wild Rose Farm, and Avril Weirs with the Farm at Effie Kokrine Early College Charter School all volunteered to serve on the steering committee.

The first market study meeting was held in early November, and the steering committee met regularly up until the Final Report presentation given in April 2014. Meetings were held monthly at first, but by February 2014, the committee starting meeting biweekly. The purpose of a steering committee of local farmers was simple: it was extremely important to all entities and individuals involved that the information obtained and compiled by the study was relevant and beneficial to the local farming community. As such, farmers on the steering committee would serve as representatives for all Fairbanks vegetable farmers, providing regular and direct feedback for the market study.

With input from farmers, FEDC hired the Alaska Cooperative Development Program (ACDP) to conduct the research and work involved with the market study with support received from FEDC.

From the beginning of this project, farmers were asked to submit names of local vegetable produce buyer to which they would like to be included in the study. 77 business, institutions, and organizations were included and contacted to participate in the study. Of these 77, Christine Nyugen, the researcher with the ACDP conducting and compiling the information on the market study, met with 40. This was mostly due to the interest and availability of buyers to participate.

Additionally, farmers were asked to suggest specific questions they would like asked of local vegetable buyers. A survey template was then created which outlined all of the items to be asked of buyers. Local farmers were asked to provide final feedback on the survey template and corresponding questions before Christine used this to interview buyers.

A separate survey was issued to farmers to gather information to help compare data collected from buyers with that of the farmers, such as vegetables local farmers were most interested in growing and the price to which they normally sold their products. Unfortunately, only 7 local farmers responded to this survey, despite repeated inquiries to the other farmers. Many of the farmers who opted not to respond felt that either their farm was “too new” or “too small” for them to feel like they could provide accurate information that would be useful to the study.

Christine began interviews with buyers in January and provided information to the farmers as it was collected and analyzed. In addition to farmer input, Christine received guidance from Andrew Crow the ACDP Manager to ensure that results and information collected provided would be useful in the creation of a cooperative. The data and information gathered is outlined in the Final Report, but some topics included were price premiums for local produce, local produce expenditures, demand of vegetables requiring processing, buyer characteristics and preferences, and organic certification preferences.

Julie Emslie with FEDC presented at the SARE conference in March on the market study and the larger work that FEDC has been involved with over the past couple of years in the creation of a potential cooperative. Farmers in other areas of the state seemed to be very

interested in the study and possibilities of replicating it elsewhere. A final presentation was given on the study in April, and all farmers were provided a copy of the final report. FEDC also posted the report on their website, information on the report and the website link was included in a Newsminer article, and FEDC continues to pass out the study to interested parties. Although the study was mostly created for use of current farmers, there has been numerous instances where it has been used by others, such as classes at UAF that focus on future farmers, individuals who are interested in creating their own local food hub business, and individuals who are interested in pursuing farming themselves.

Because the market study report and presentation was completed in April, the project took an expected hiatus for the following months because of the start of the intense growing season. As such, the impact that the market study will have on the creation of a farmers cooperative, the farming community, and the specialty crop industry is yet to be seen. However, a number of the farmers used information gathered to impact their farm-planning for the 2014 season.

FEDC conducted informal interviews with 10 farmers during the months of July and August to gauge the results of conducting the market study. Responses varied as to how beneficial each farmer believed the market study to be. However, it should be noted that farmers who were most directly involved in the project (attending the most meetings, provided feedback, served on the steering committee, etc) found it to be the most beneficial. Farmers reported that the information on price-points and scale of the larger market was the most useful information collected in the market study, as well as identifying which vegetables were most feasible and economically profitable to grow. A drawback of the study was the amount of farmers who responded to the survey. Some felt this made it more difficult to not only have more accurate information on farming taking place in the Interior, but also might reflect a true level of interest in working together or in farming altogether. Also, a few farmers expressed that they felt the market study monopolized too much of farmer time and interest and slowed down the momentum of working together towards a cooperative, rather than helped the effort.

FEDC fulfilled the budget that was included in the original proposal for the grant funding. This included \$13,330 contracted with the ACDP to do the work, and \$4,032 of FEDC staff time, of which \$2,003.94 was an in-kind matching contribution.